

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

ConnectEdu, Inc., *et al.*,¹

Debtors.

Chapter 11

Case No. 14-11238 (SCC)

(Jointly Administered)

NOTICE OF SALE OF CERTAIN ASSETS AT AUCTION

PLEASE TAKE NOTICE that pursuant to the *Order Approving (A) Bidding Procedures, (B) Form and Manner of Sale Notices, and (C) Sale Hearing Date* (the “Bidding Procedures Order”) entered by the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”), the above-captioned debtors and debtors in possession (collectively, the “Debtors”) are offering for sale substantially all of their assets (the “Purchased Assets”).² Capitalized terms used but not otherwise defined in this notice (the “Sale Notice”) shall have the meanings ascribed to them in the Bidding Procedures Order.

PLEASE TAKE FURTHER NOTICE that all interested parties are invited to make offers to purchase the Purchased Assets in accordance with the terms and conditions approved by the Bankruptcy Court (the “Bidding Procedures”). Pursuant to the Bidding Procedures, the Debtors may conduct an auction for the Purchased Assets (the “Auction”) beginning at **9:30 a.m. (prevailing Eastern time) on May 27, 2014** at the offices of Lowenstein Sandler LLP, 1251 Avenue of the Americas, New York, New York, subject to adjournment pursuant to the Bidding Procedures.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: (1) ConnectEdu, Inc. (8132) (“ConnectEdu”) and its direct subsidiaries: (2) Experience, Inc. (0757) (“Experience”); and (3) Academic Management Systems, Inc. (0844) (“AMS”). The location of the Debtors’ corporate headquarters is 600 Atlantic Avenue, 20th Floor, Boston, MA 02210.

² The Debtors are engaged in negotiations to sell, by separate order, the issued and outstanding capital stock of Debtor AMS and certain assets of Connect held or used in connection with the conduct of AMS’ business (the “AMS Assets”) to North Atlantic. To the extent the Debtors enter into and close on the sale of the AMS Assets to North Atlantic, such assets shall not be subject to a sale under this Notice.

PLEASE TAKE FURTHER NOTICE that participation at the Auction is subject to the Bidding Procedures and the Bidding Procedures Order, copies of which are provided herewith.

PLEASE TAKE FURTHER NOTICE that notwithstanding Bankruptcy Court approval of a sale pursuant to the terms of one or more Successful Bids, the Good Faith Deposits of all Successful Bidders and Alternate Bidders will be held in an interest-bearing escrow account by counsel for the Debtors and all such Bids shall remain open and not returned until two business days following the closing (the “Deposit Return Date”) of the Sale to the buyer (the “Buyer”); provided, however, that if the Debtors determine not to sell the Purchased Assets, the Good Faith Deposits of all Qualified Bidders will be returned within 48 hours of the Auction. The Good Faith Deposits of all other Qualified Bidders will be returned within 48 hours of the Auction. Upon failure to consummate the Sale of the Purchased Assets because of a breach or failure on the part of the Buyer, the Debtors may proceed with a Sale to the Alternate Bidders without further order of the Bankruptcy Court. The Good Faith Deposit(s) submitted by the Buyer, together with interest thereon, shall be applied against the payment of the cash portion of the purchase price upon closing of the Sale to the Buyer. In the event a Bidder fails to close through its own default, its Good Faith Deposit shall be released to the Debtors. On the Deposit Return Date, the Debtors will return the Good Faith Deposits of all other Successful Bidders and Alternative Bidders with accrued interest.

PLEASE TAKE FURTHER NOTICE that the Debtors may: (a) determine, in their business judgment, which Qualified Bid is the highest or otherwise best offer and (b) reject at any time before entry of an order of the Bankruptcy Court approving a Qualified Bid any Bid which, in their discretion, is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Bankruptcy Code, the Bidding Procedures, or the terms and conditions of sale, or (iii) contrary to the best interests of the Debtors, their estates, and their creditors.

PLEASE TAKE FURTHER NOTICE that a hearing to approve the Sale of the Purchased Assets to the highest or otherwise best Qualified Bid is scheduled to be held on **May**

29, 2014 at 2:00 p.m. (prevailing Eastern time), before the Honorable Shelley C. Chapman, U.S.B.J., United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, NY 10004. The hearing on the Sale may be adjourned without notice other than an adjournment in open court.

PLEASE TAKE FURTHER NOTICE that this Sale Notice is qualified in its entirety by the Bidding Procedures Order.

Dated: May 16, 2014

LOWENSTEIN SANDLER LLP

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